



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

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GOVERNOR

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DATE: November 29, 2016

TO: Members of the State Tax Commission

FROM: Heather S. Frick, Executive Director

SUBJECT: Pipeline Economic Factor

In 2010, the State Tax Commission approved an economic factor for ANR Pipeline and Mid-Michigan Gas Storage. Those factors began for the 2011 year at 65% and moved in increments of 5% down to 50% for the 2014 year. We discussed a possible factor for Great Lakes Gas Transmission and determined at that point, a factor was not indicated for Great Lakes Gas Transmission.

In 2013, the Commission approved a 40% economic factor for the 2014 Great Lakes Gas Transmission and amended the prior factor adopted in 2014 for ANR Pipeline and Mid-Michigan Gas Storage to 40%. The Commission adopted the same factors for the 2015 and 2016 years.

After meeting with representatives from the pipeline companies and further review of available data, staff recommends the Commission adopt the same factors again (40%) for the 2017 year.